

Message Text

LIMITED OFFICIAL USE

PAGE 01 BONN 10920 141550Z
ACTION EB-08

INFO OCT-01 AF-10 EUR-12 EA-10 ISO-00 CIAE-00 COME-00
GSA-02 INR-10 NSAE-00 TRSE-00 AID-05 OMB-01 SSO-00
INRE-00 INT-05 /064 W
-----054181 141555Z /43

O R 141539Z JUN 78
FM AMEMBASSY BONN
TO SECSTATE WASHDC IMMEDIATE 9374
INFO AMEMBASSY PARIS
AMEMBASSY BRUSSELS
AMEMBASSY GABORONE
AMEMBASSY HELSINKI
AMEMBASSY KINSHASA
AMCONSUL JOHANNESBURG
AMEMBASSY LONDON
AMEMBASSY LUSAKA
AMEMBASSY OSLO
AMEMBASSY OTTAWA
AMEMBASSY ROME
AMEMBASSY SUVA
AMEMBASSY TOKYO

LIMITED OFFICIAL USE BONN 10920

BRUSSELS ALSO FOR USEEC

E.O. 11652: N/A
TAGS: EMIN, GW
SUBJECT: GERMAN COBALT SITUATION

REF: STATE 145925

1. DATA CONTAINED IN THIS MESSAGE IS BASED ON
INFORMATION OBTAINED FROM AN INDUSTRY SOURCE,
DR. RUEHLE OF METALLGESELLSCHAFT. RELEVANT GOVERN-
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 BONN 10920 141550Z

MENT AGENCIES ARE ONLY NOW BEGINNING A STUDY OF THE
COBALT SITUATION, WHICH WILL BE COMPLETED BY LATE
SUMMER.

2. CONSUMPTION: NO DETAILED FIGURES ARE AVAILABLE,
BUT ONE CAN ASSUME FRG INDUSTRY CONSUMES ABOUT
TEN PERCENT OF WORLD COBALT PRODUCTION. OF THIS

AMOUNT, 70-80 PERCENT IS IN THE FORM OF CATHODES, 10-20 PERCENT GRANULES AND LESS THAN 5 PERCENT AS POWDER. BETWEEN 50 AND 60 PERCENT OF FRG COBALT REQUIREMENTS COME FROM ZAIRE; THE REST FROM ZAMBIA AND CANADA. THE BOTTLENECK IN THE SUPPLY OF POWDER (WHICH LARGELY CAME FROM BELGIUM) WILL BE OVERCOME, DUE TO FINLAND'S APPEARANCE AS A NEW SOURCE.

3. STOCKS: THE GOVERNMENT HAS NO STOCKPILING POLICY. USERS IN THE PRIVATE SECTOR MAINTAIN STOCKS, OF THE VARIOUS PRODUCT TYPES THEY REQUIRE, SUFFICIENT TO CONTINUE NORMAL OPERATIONS FOR THREE TO FOUR MONTHS.

4. PRODUCTION OF COBALT IN THE FRG IS "MINIMAL." THE ONLY GERMAN COBALT REFINERY, DUISBURGER KUPFERHUETTE, HAS REDUCED ITS OPERATIONS, BECAUSE IT WAS UNABLE TO COMPETE WITH MATERIAL FROM SUPPLIER COUNTRIES WHICH HAVE UPGRADED THEIR OWN PROCESSING CAPABILITY.

5. PRICES: COBALT PRICES IN THE FRG ARE RELATED TO THE LONDON MARKET. THE PRICE IN THE CONTRACT MARKET HAS RECENTLY RISEN FROM \$6.85 TO \$8.50 PER LB. SPOT OR FREE MARKET PRICES HAVE RISEN BY 300 TO 400 PERCENT, FROM THE ORIGINAL \$7.00 PER LB. MOST GERMAN COBALT REQUIREMENTS ARE FULFILLED BY WAY OF LONG-LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 BONN 10920 141550Z

TERM CONTRACT (90 PERCENT PLUS) RATHER THAN SPOT PURCHASES. A REPRESENTATIVE OF PHILLIP BROS. SAID HE FELT PRICES IN THE SPOT MARKET WERE TOO HIGH AND WOULD FALL RAPIDLY ONCE THE SITUATION IN GETTING MATERIAL OUT OF ZAIRE WAS STABILIZED.

6. GOVERNMENT POLICIES: THE GOVERNMENT HAS NEITHER PLANNED NOR TAKEN ACTION IN RESPONSE TO THE PRESENT SITUATION, AND THERE IS PRESENTLY NO PRESSURE FOR THE GOVERNMENT TO DO SO.

7. THERE ARE THREE MAJOR INDUSTRIAL USERS OF COBALT: METALLGESELLSCHAFT, PREUSSAG AND DUISBURGER KUPFERHUETTE. STOESEL

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COBALT, INFORMATION EXCHANGE
Control Number: n/a
Copy: SINGLE
Draft Date: 14 jun 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978BONN10920
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780248-0790
Format: TEL
From: BONN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780662/aaaacblt.tel
Line Count: 109
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: dbabbc89-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 78 STATE 145925
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 03 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2364429
Secure: OPEN
Status: NATIVE
Subject: GERMAN COBALT SITUATION
TAGS: EMIN, GE
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/dbabbc89-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014